AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 877

Introduced by Assembly Member Parra

February 22, 2007

An act to amend Section 359 of add Section 140 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

AB 877, as amended, Parra. Federal emergency drought relief. San Joaquin Valley: water supply.

Existing law grants to the Department of Water Resources various responsibilities relating to the water resources of the state.

This bill would require the department to study the economic impacts of water supply reduction in specified counties in the San Joaquin Valley, and to report its findings to the Legislature on or before December 31, 2008.

Existing law allows a public water agency, as defined, to apply for specified federal emergency drought relief financing without submitting the proposal to an election, under specified circumstances, but limits this to applications made before March 1, 1978.

This bill would make technical, nonsubstantive changes to these provisions of law.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no.

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The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the 2 *following:*

- (a) The San Joaquin Valley supplies 45 percent of the nation's fruits and vegetables and includes the three largest agricultural counties in the nation based on gross receipts.
- (b) The San Joaquin Valley contains 12 groundwater basins, six of which are critically overdrafted.
- (c) The San Joaquin Valley is one of the fastest growing areas of the state, with a population that is expected to double by the vear 2025.
- (d) The economic vitality of the San Joaquin Valley depends upon a reliable water supply.
 - SEC. 2. Section 140 is added to the Water Code, to read:
- 140. The department shall study the economic impacts of water supply reduction in the San Joaquin Valley, including the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, and report its findings to the Legislature on or before December 31, 2008.
- SECTION 1. Section 359 of the Water Code is amended to read:
- 359. (a) Notwithstanding any other provision of law that requires an election for the purpose of authorizing a contract with the United States, or for incurring the obligation to repay loans from the United States, and except as otherwise limited or prohibited by the California Constitution, a public water agency, as an alternative procedure to submitting the proposal to an election, upon affirmative vote of four-fifths of the members of the governing body thereof, may apply for, accept, provide for the repayment together with interest thereon, and use funds made available by the federal government pursuant to Public Law 95-18, pursuant to any other federal act subsequently enacted during 1977 that specifically provides emergency drought relief financing, or pursuant to existing federal relief programs receiving budget augmentations in 1977 for drought assistance, and may enter into contracts that are required to obtain those federal funds pursuant to the provisions of those federal acts, if the following conditions exist:

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(1) The project is undertaken by a state, regional, or local governmental agency.

- (2) As a result of the severe drought now existing in many parts of the state, the agency has an insufficient water supply needed to meet necessary agricultural, domestic, industrial, recreational, and fish and wildlife needs within the service area or area of jurisdiction of the agency.
- (3) The project will develop or conserve water before October 31, 1978, and will assist in mitigating the impacts of the drought.
- (4) The agency affirms that it will comply, if applicable, with Sections 1602, 1603, and 1605 of the Fish and Game Code.
- (5) The project will be completed on or before the completion date, if any, required under the federal act providing the funding, but not later than March 1, 1978.
- (b) Any obligation to repay loans shall be expressly limited to revenues of the system improved by the proceeds of the contract.
- (c) No application for federal funds pursuant to this section shall be made on or after March 1, 1978.
- (d) Notwithstanding the provisions of this section, a public agency shall not be exempt from any provision of law that requires the submission of a proposal to an election if a petition requesting such an election, signed by 10 percent of the registered voters within the public agency, is presented to the governing board within 30 days following the submission of an application for federal funds.
- (e) Notwithstanding the provisions of this section, a public water agency that applied for federal funds for a project before January 1, 1978, may make application to the Director of the Drought Emergency Task Force for extension of the required completion date specified in paragraph (5) of subdivision (a). Following receipt of an application for extension, the Director of the Drought Emergency Task Force may extend the required completion date specified in paragraph (5) of subdivision (a) to a date not later than September 30, 1978, if the director finds that the project has been delayed by factors not controllable by the public water agency. If the Drought Emergency Task Force is dissolved, the Director of Water Resources shall exercise the authority vested in the Director of the Drought Emergency Task Force pursuant to this section.
- (f) For the purposes of this section, "public water agency" means a city, district, agency, authority, or any other political subdivision

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- 1 of the state, except the state, that distributes water to the inhabitants
- 2 thereof, is otherwise authorized by law to enter into contracts or
- 3 agreements with the federal government for a water supply or for
- 4 financing facilities for a water supply, and is otherwise required
- 5 by law to submit those agreements or contracts or any other project
- 6 involving long-term debt to an election within that public water
- 7 agency.